

Leonard, Amanda L.

From: McCarroll, James C.
Sent: Thursday, November 30, 2006 11:09 PM
To: 'sstrong@rqn.com'
Cc: 'ajarvis@rqn.com'; Karides, Constantine; Tashman, Matthew E; Leonard, Amanda L.
Subject: Re: Debtors' Refusal to Produce Bids or Bid Information

Steve-

Following consultation with my client, I am writing to advise you that we shortly will file the motion described below. Again, we hope and expect that you will consent to an immediate hearing on this motion, at the court's earliest available time.

Sent From My BlackBerry Wireless Handheld James C. McCarroll Reed Smith LLP
Tel: (212) 549-0209
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Assistant: Rosemary Finnerty, (212) 549-0224

----- Original Message -----

From: McCarroll, James C.
To: 'sstrong@rqn.com' <sstrong@rqn.com>
Cc: 'ajarvis@rqn.com' <ajarvis@rqn.com>; Karides, Constantine; Tashman, Matthew E
Sent: Thu Nov 30 22:25:22 2006
Subject: Debtors' Refusal to Produce Bids or Bid Information

Steve-

As we just discussed, and as discussed earlier with you and Annette, we are very surprised and disappointed by the Debtors' reversal of position today in refusing to disclose to us any information with regard to competing bids submitted today. We fail to see how we can be expected to bid competitively in an auction without reviewing and analyzing other parties' bids -- an opportunity that the general public has had with regard to our bid. Additionally, we will be wholly unable to analyze the qualifications of competing bidders, and exercise our right, if appropriate, to challenge such bidders' qualifications.

We believe your unreasonable refusal to permit us access to this information will materially impair our ability to bid competitively at the auction, and may therefore materially impair the value ultimately realized for the Debtors' estates and their creditors and interest holders.

As discussed, I must recommend that my client file an emergency motion tonight to compel turnover of the bid documents and information. As you clearly understand, we view timing as critical on this issue. In light of your understanding of this point, and in the interest of maximizing recoveries for your constituents, we hope and expect that you will consent to hearing of any motion to compel that we may file at the court's first availability.

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